

EXHIBIT 1



December 17, 2002

Ms. Kathleen Cully
220 Madison Avenue, #14-B
New York, NY 10016

Dear Kathleen:

CDC IXIS Financial Guaranty Services Inc. (the "Company") is pleased to confirm its offer of employment to you in the position of General Counsel of its subsidiary CDC IXIS Financial Guaranty North America, Inc. Your corporate title will be "Managing Director." The terms of your employment by the Company are as follows:

1. Your employment will begin on or about January 2, 2003, and you will report to the General Counsel of the Company. During our normal business hours, you will devote your entire time, best professional efforts and skills to develop the legal department.

2. For all services rendered by you, you will be paid a base salary at the annual rate of \$250,000, payable in equal semi-monthly installments. Your base salary may be increased at the discretion of the Company. You will be eligible to participate in the Company's annual and long-term incentive programs on a discretionary basis according to your performance as well as the performance of your department and of the Company. You will receive compensation for lost benefits in the amount of \$148,000 if you join the firm on January 2, 2003. If your employment commences after January 2, 2003, said compensation for lost benefits will be reduced *pro rata*, by dividing the number of business days which elapse prior to your commencement date by the number of business days between January 2, 2003 and March 31, 2003, inclusively. 50% of such compensation will be paid on the later of February 15, 2003 and 30 days following commencement of your employment. The other 50% will be paid on September 1, 2003. Your bonus for 2003, payable in the first quarter of 2004, will be targeted at 75% of your annual salary.

3. In addition, you will be granted options to purchase a minimum of 0.27% of the outstanding shares of the common stock of CIFG Holding. The options will be granted 1/3 in March of 2003, 1/3 in March of 2004, and 1/3 in March of 2005. The stock options shall be evidenced and governed by a stock option agreement and plan, which shall contain customary terms and provisions, such as the Company's right of first refusal.

4. You will be eligible to receive all health and welfare benefits that are offered by the Company to its employees generally. These benefits include a major medical and dental plan, a 401K, and life and disability insurance. You will also be entitled to four weeks of vacation annually (pro rated during first year of employment), exclusive of holidays when the Company is closed for business. It is the Company's policy that normal work hours and location are determined by what is appropriate to get the job done within the context of a team oriented environment.

5. Your employment at the Company will be subject to standard reference checks, and will continue as long as we mutually desire, and may be terminated at any time by you or the Company. If the Company terminates your employment other than for cause, as described below, you will be entitled to severance in the amount of six month's base salary, plus the *pro rata* amount of your target bonus as of the date of termination. If the company terminates your employment other than for cause as described below prior to payment of the aforementioned compensation for lost benefits, you will be entitled to the amount of said compensation, ratably adjusted on the basis of the number of days that you are employed by the Company in

A handwritten signature in dark ink, appearing to be "K. Cully".

CDC IXIS Financial Guaranty Services, Inc.
825 Third Avenue, 6th floor
New York, NY 10022
Tel. 212 909 3939
Fax. 212 909 3958
www.cifg.com

2003. If you terminate your employment voluntarily, you will forfeit any right to compensation beyond your termination date unless otherwise specified by Company policy.

6. Your employment may be terminated immediately by the Company for cause without notice. "Cause" is defined to include, without limitation, gross negligence or willful misconduct in the performance of your duties under this Agreement, the perpetration of a fraud, crime or other act of serious misconduct, willful misrepresentation of information pertaining to your employment or your willful disobedience to the directives of management. Any termination for cause will result in no further salary or bonus payments being due to you beyond the date of termination, and your ineligibility to participate in any bonus scheme described above.

7. Your employment will be governed by the rules of confidentiality, non-solicitation and professional behavior of the Company. In particular, you may not discuss any matters regarding the Company's internal workings, business dealings, clients, confidential or proprietary information or trade secrets, or utilize such for your own benefit or for the benefit of third parties, at any point during or following your employment with the Company without the express approval of the Company. In addition, you may not, for a period of one year following the termination of your employment (unless your employment is terminated by the Company without cause) interfere with the business or client relationships of the Company or attempt to persuade any client to reduce business with the Company, or, for a period of one year following the termination of your employment (regardless of the reason for such termination) attempt to employ any employee of the Company.

8. Membership on any outside Board, committee memberships or advisory roles with other firms which you may wish to accept will require the express approval of the Company.

9. By accepting employment with the Company, you represent and warrant that the performance of your duties will not violate any agreement between you and any other person, firm, partnership, corporation or organization.

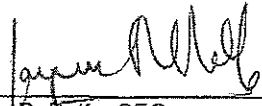
10. This letter sets forth all of the terms of your employment and supersedes all prior understandings, written or oral, between us. The terms of your employment may not be modified except in a writing signed by you and a duly authorized representative of the Company.

We believe that you have the qualifications to make a substantial contribution to our financial guaranty activity and look forward to you joining our company.

If you agree to the foregoing terms and conditions of employment, please sign where indicated below and return this letter to me.

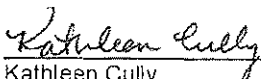
Yours sincerely,

CDC IXIS Financial Guaranty Services Inc.


 Jacques R. Rolfo, CEO Date

12/17/02

Agreed and accepted by:


 Kathleen Cully Date Dec. 23, 2002 Start date Jan. 23, 2003



CDC IXIS Financial Guaranty Services, Inc.
 825 Third Avenue, 6th floor, New York, NY 10022